

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	No. _____
)	Violations: Title 18, United States
VITO R. SCAVO,)	Code, Sections 1341, 1343, 1346, 1503,
GARY MONTINO,)	1951, 1962(d), and 2; Title 26, United
MICHAEL "MICKEY" CALIENDO,)	States Code, Section 7206(1)
JAMES CAPUTO,)	
GUY RIC CERVONE,)	
MICHAEL WYNN, and)	
GERMAN CEPEDA)	

COUNT ONE

The SPECIAL DECEMBER 2005 GRAND JURY charges:

1. At times material to this indictment:

The Melrose Park Police Department

A. The Melrose Park Police Department (the "Police Department") was located at 1 North Broadway in the Village of Melrose Park, Illinois ("Melrose Park").

B. The Police Department consisted of the chief of police, deputy chiefs, lieutenants, sergeants, full-time and part-time patrol officers, and civilian employees who performed administrative and support functions and did not have police powers.

- i. Part-time Police Department officers received hourly wages for services rendered.
- ii. Full-time Police Department officers received salaries. Those who worked overtime were compensated with extra pay or extra time off, referred to as "time due."

The Individuals and Entities

C. The following individuals were employed by the Police Department:

- i. Defendant VITO R. SCAVO was Chief of Police.
- ii. Defendant GARY MONTINO was a Deputy Chief of Police.
- iii. Defendant MICHAEL "MICKEY" CALIENDO was a civilian supervisor of part-time officers, a position with no police powers.
- iv. James Caputo was a Deputy Chief of Police.
- v. Guy Ric Cervone was a police lieutenant, with responsibilities that included keeping track of Police Department officers' time due.
- vi. Michael Wynn was a part-time police officer.
- vii. German Cepeda was a janitor at the Police Department and a code enforcement inspector at Melrose Park's public works department.

D. DOD Security Consultants, Inc., also known as DOD Security, Inc., Speciality Security, and Able Security, among other names (collectively referred to as "DOD"), an Illinois corporation with a registered business address of 280 Braddock Drive, Melrose Park, Illinois, was a for-profit unlicensed private security contractor agency. Defendant SCAVO was DOD's sole shareholder.

E. IFPC Worldwide, Inc. and County Line Security Systems, Inc. were Illinois corporations with common ownership that provided various security and investigative services to businesses in Melrose Park and elsewhere. IFPC Worldwide, Inc. and County Line Security Systems, Inc. merged in or about 2003 and, after that, operated solely as IFPC Worldwide, Inc. IFPC Worldwide, Inc. and Countyline Security Systems, Inc. are collectively referred to herein as IFPC. IFPC's corporate headquarters was located at 5440 North Cumberland, Chicago, Illinois.

IFPC was a licensed private security contractor agency.

F. Defendant SCAVO maintained an affiliation with IFPC in which SCAVO received payments from IFPC in return for security business he generated for IFPC (security business that SCAVO generated for IFPC is hereinafter referred to as "SCAVO's IFPC security accounts").

G. In or about October of 2004 and 2005, defendant SCAVO operated a commercial parking business (the "Commercial Parking Lot") using a portion of a parking lot owned by an International Truck and Engine Corporation, formerly known as Navistar, facility in Melrose Park ("Navistar"), wherein customers of a nearby haunted house attraction could park before entering the haunted house.

Applicable Police Department Policies and Procedures

H. In discharging their public duties, Police Department employees were bound by the following duties, laws, policies, and procedures:

- i. By virtue of their positions as Melrose Park employees, each Police Department employee and the police chief owed a duty of honest services to the people of Melrose Park, Melrose Park businesses, and Melrose Park itself in the performance of his or her public duties.
- ii. Pursuant to the Police Department's Standard Operating Procedures Manual (the "SOP Manual"), which was created and issued by defendant SCAVO, Police Department officers were prohibited from, among other things:
 - a. working any secondary employment without first requiring

the secondary employer to complete an “Agreement of Hiring, In An Off-Duty Capacity, Any Police Officer from the Village of Melrose Park” (“Secondary Employment Agreement”);

- b. wearing any part of their uniforms, insignias or badges/stars during off-duty hours that identified the employees as police officers from Melrose Park;
- c. allowing any unauthorized personnel in Police Department squad cars at any time;
- d. using any Police Department squad cars for anything other than official police business;
- e. allowing any Police Department civilian personnel to use any police dispatch radios; and
- f. allowing any Police Department civilian personnel to operate any Police Department vehicles.

Law Governing Security Companies and Security Guards

I. Under Illinois law:

- i. a private security contractor was a person who engaged in the business of providing a private security officer or guard to provide specified duties on a contractual basis in return for a fee or other type of payment;
- ii. a private security contractor agency was a person, firm, corporation,

or other legal entity that engaged in the private security contractor business and employed one or more persons, other than the licensee in charge, in conducting the business.

- iii. private security contractors and private security contractor agencies were required to be licensed by the Illinois Department of Financial and Professional Regulation and maintain general liability insurance;
- iv. private security contractor agencies were prohibited from: (a) employing any person who did not possess a valid permanent employee registration card ("PERC card") unless, after approximately August 5, 2003, the person was a peace officer; (b) employing any person who wore any portion of his official uniform, emblem of authority, or equipment while working private security; and (c) operating a branch office without first receiving a branch office license; and
- v. employees of private security contractor agencies were prohibited from displaying a badge or identification card, emblem, or uniform citing the words "police" or "law enforcement" or from in any way implying that the employee was an employee or agent of a governmental agency.

Federal Grand Jury Investigation

J. Beginning in or about spring of 2005 and continuing until July 19, 2007, duly empaneled federal grand juries were investigating, among other things, whether: (i) Police

Department officials and employees defrauded Melrose Park by using its personnel and property to operate various security guard companies and provide personal services to defendant SCAVO; (ii) Police Department officials and employees extorted Melrose Park businesses into using security guard services provided through various security guard companies; and (iii) defendant SCAVO committed tax fraud and improperly compensated Police Department employees who performed personal chores for SCAVO with time due that the employees had not actually earned (the "Grand Jury Investigation").

K. Between approximately September 8, 2005, and September 15, 2005, knowledge of the Grand Jury Investigation became public as a result of federal law enforcement officers: (i) executing search warrants, on or about September 8, 2005, at the Police Department and IFPC's headquarters; (ii) interviewing numerous Police Department personnel about the topics described in paragraph 1(J) above, among other topics; and (iii) serving grand jury subpoenas on numerous Police Department personnel.

The Enterprise

2. At all times material to this indictment, the Police Department constituted an "enterprise" as that term is defined in Title 18, United States Code, Section 1961(4), which was engaged in, and the activities of which affected, interstate commerce (the "Melrose Park Police Department Enterprise").

3. Defendants SCAVO, MONTINO, and CALIENDO were employed by and associated with the Melrose Park Police Department Enterprise.

The Racketeering Conspiracy

4. Beginning no later than late 1996 and continuing until at least late 2006, at Melrose Park and Northlake, in the Northern District of Illinois, Eastern Division, and elsewhere,

VITO R. SCAVO,
GARY MONTINO, and
MICHAEL "MICKEY" CALIENDO,

defendants herein, along with other persons known and unknown to the grand jury, being persons employed by and associated with an enterprise that engaged in, and the activities of which affected, interstate commerce, namely, the Melrose Park Police Department Enterprise, conspired to violate Title 18, United States Code, Section 1962(c), that is to conduct and participate, directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity, as that term is defined in Title 18, United States Code, Sections 1961(1) and (5), consisting of multiple acts indictable under the following provisions of federal law:

- a. Title 18, United States Code, Sections 1341, 1346, and 2 (mail fraud);
- b. Title 18, United States Code, Sections 1343, 1346, and 2 (wire fraud);
- c. Title 18, United States Code, Section 1951 (extortion); and
- d. Title 18, United States Code, Section 1503 (obstruction of justice).

5. It was a part of the conspiracy that defendants SCAVO, MONTINO, and CALIENDO agreed that a conspirator would commit at least two acts of racketeering in the conduct and affairs of the Melrose Park Police Department Enterprise.

Purposes of the Conspiracy

6. The purposes of the conspiracy included the following:
 - a. defrauding Melrose Park by using its personnel and property to operate and staff DOD and IFPC and provide personal services to defendant SCAVO;
 - b. extorting Melrose Park businesses into using security guard services provided through DOD;
 - c. improperly compensating Police Department officers who performed personal chores for defendant SCAVO with unearned time due;
 - d. allowing ghost-payrolling at the Police Department, in part, to compensate Police Department employees who performed personal chores for defendant SCAVO and worked for DOD and IFPC; and
 - e. promoting, concealing and otherwise protecting the illegal activity of defendants SCAVO, MONTINO, and CALIENDO from public exposure and possible criminal prosecution.

Means and Methods of the Conspiracy

7. It was part of the conspiracy that defendants SCAVO, MONTINO, and CALIENDO, and other persons known and unknown to the grand jury, engaged in a scheme to defraud the people of Melrose Park, Melrose Park businesses, and Melrose Park of money, property and their intangible right to the honest services of the Police Department and Police Department employees and officials by means of materially false and fraudulent pretenses, representations, promises, and material omissions, as more fully described in Count Two, paragraphs 2 and 4 through 41 of this indictment, with the exception of paragraphs 22(c) and (d) and 24. In furtherance of the scheme, defendants

SCAVO, MONTINO, and CALIENDO used and caused to be used the United States mails and other interstate carriers, as well writings, signs, and signals that were transmitted by means of wire communication in interstate commerce.

8. It was further part of the conspiracy that defendant SCAVO committed and attempted to commit extortion, which extortion obstructed, delayed, and affected commerce, by knowingly obtaining and attempting to obtain property in the form of security payments from various businesses in Melrose Park: (a) under color of official right; and (b) induced by the wrongful use of actual and threatened fear of economic harm.

9. It was further part of the conspiracy that defendant SCAVO diverted Melrose Park resources to his personal use and benefit by directing on-duty personnel to: (a) perform personal chores for him and his family; and (b) purchase personal items and services for him and his family using Melrose Park funds.

10. It was further part of the conspiracy that defendant SCAVO: (a) obstructed and attempted to obstruct the Grand Jury Investigation; and (b) tampered and attempted to tamper with potential grand jury witnesses.

11. It was further part of the conspiracy that defendants SCAVO, MONTINO, and CALIENDO misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the purposes of and acts done in furtherance of the conspiracy.

All in violation of Title 18, United States Code, Section 1962(d).

COUNT TWO

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraph 1 of Count One of this indictment as though fully set forth herein.

2. At times material to the indictment, the following individuals were employed by the Police Department:

- a. Officer A was a full-time police officer.
- b. Day Shift Officer 1 was a full-time police officer.

3. Beginning no later than late 1996 and continuing until at least early 2006, at Melrose Park and Northlake, in the Northern District of Illinois, Eastern Division, and elsewhere,

VITO R. SCAVO,
GARY MONTINO,
MICHAEL "MICKEY" CALIENDO,
GUY RIC CERVONE, and
MICHAEL WYNN,

defendants herein, along with German Cepeda and other persons known and unknown to the grand jury, devised and intended to devise, and participated in, a scheme and artifice to defraud the people of Melrose Park, Melrose Park businesses, and Melrose Park of money, property, and their intangible right to the honest services of the Police Department and Police Department employees and officials by means of materially false and fraudulent pretenses, representations, promises, and material omissions, and in furtherance of the scheme, which scheme is further described in the following paragraphs, defendants used and caused to be used the United States mails and other interstate carriers, as well as writings, signs, and signals that were transmitted by means of wire communication in interstate commerce.

General Scheme Allegations

4. It was part of the scheme that defendants SCAVO, MONTINO, CALIENDO, and CERVONE: (a) diverted and caused to be diverted Police Department and Melrose Park personnel and property to operate DOD, IFPC, and the Commercial Parking Lot and to perform personal chores for SCAVO; (b) improperly compensated Police Department officers who performed personal chores for defendant SCAVO with unearned time due; and (c) allowed ghost-payrolling at the Police Department, in part, to compensate Police Department employees who performed personal chores for defendant SCAVO and worked for DOD and IFPC.

5. It was further part of the scheme that defendant SCAVO operated DOD and a branch office of IFPC out of the Police Department, using Police Department property and personnel.

6. It was further part of the scheme that defendant SCAVO operated DOD, well knowing that DOD was not licensed by the Illinois Department of Professional Regulation.

7. It was further part of the scheme that defendants SCAVO, MONTINO, CALIENDO, and WYNN prioritized the use of on duty Police Department officers to perform private security work over legitimate Police Department work.

8. It was further part of the scheme that Cepeda, among others, was a bagman for defendant SCAVO's cash security operations, collecting cash security payments from various Melrose Park businesses on a weekly basis and delivering that cash to SCAVO and his designees at the Police Department.

9. It was further part of the scheme that defendants SCAVO, MONTINO, CALIENDO, CERVONE, and WYNN, as well as Cepeda and others, received material benefits from their participation in the scheme, including additional income and, for MONTINO, CALIENDO,

CERVONE, WYNN, Cepeda and others, favored status with defendant SCAVO.

10. It was further part of the scheme that defendant WYNN, at defendant CALIENDO's direction, routinely worked private security at a Lincoln Technical Institute facility in Melrose Park ("Lincoln Tech"), one of defendant SCAVO's IFPC security accounts, while on duty at the Police Department.

A. The Security Businesses

Use of Police Department Property and Personnel

11. It was further part of the scheme that beginning in or about January 1999 and continuing until at least late 2005, defendants SCAVO, MONTINO, and CALIENDO diverted Melrose Park resources by using Police Department property, including Police Department squad cars, and on-duty Police Department officers to operate and staff DOD and SCAVO's IFPC security accounts.

12. It was further part of the scheme that defendants SCAVO, MONTINO, and CALIENDO operated DOD and SCAVO's IFPC security accounts out of the Police Department, using the Police Department as, among other things, the primary business office for DOD and a branch office for IFPC.

13. It was further part of the scheme that defendants SCAVO, MONTINO, and CALIENDO used and caused to be used Police Department property, including Police Department squad cars, in connection with the operations of DOD and SCAVO's IFPC security accounts.

14. It was further part of the scheme that defendants SCAVO and MONTINO performed DOD and IFPC related work, including scheduling, recruitment of clients and workers, and preparation of payroll, while on duty with the Police Department.

15. It was further part of the scheme that defendants SCAVO and MONTINO used on-duty Police Department personnel to perform non-security work for DOD and SCAVO's IFPC security accounts, which work included payroll and accounts receivable functions.

16. It was further part of the scheme that defendants MONTINO and CALIENDO staffed and caused to be staffed private security accounts with on-duty Police Department officers.

17. It was further part of the scheme that defendant SCAVO, in contravention of the regulations he created and issued through the SOP Manual by allowing, among other things: (a) numerous Police Department officers to perform private security work for DOD and IFPC without first requiring DOD and IFPC to complete a Secondary Employment Agreement; and (b) the use of Police Department squad cars in connection with private security work.

18. It was further part of the scheme that, in contravention of Illinois law and the SOP Manual, defendant MONTINO directed security guard personnel to wear shirts and jackets bearing the word "Police" during the performance of their security guard duties.

19. It was further part of the scheme that, in contravention of Illinois law, defendant CALIENDO caused part-time Police Department officers to wear their Police Department uniforms while performing private security work, by assigning them to work private security jobs while they were on duty.

20. It was further part of the scheme that defendant WYNN and other Police Department officers performed private security work for SCAVO's IFPC security accounts while on duty.

21. It was further part of the scheme that defendant WYNN wore his Police Department uniform and drove a Police Department squad car while working private security at Lincoln Tech.

Means and Methods of Obtaining Security Business

22. It was further part of the scheme that by at least 2001, defendant SCAVO obtained private security business for DOD and IFPC through false and fraudulent representations, including representations that: (a) businesses had to hire security guards through SCAVO; (b) SCAVO would staff security accounts with off-duty Police Department officers; (c) DOD carried liability insurance at the levels required by its customers; and (d) DOD was an operating division of IFPC.

23. It was further part of the scheme that defendant SCAVO exploited and preyed upon the businesses' fears that if they did not hire security through SCAVO, he would use his official position to cause the businesses to suffer negative consequences, and that defendant SCAVO charged the businesses more for security services than they had previously been paying for security, well knowing that the businesses agreed to pay SCAVO's rate in order to ensure no adverse consequences from Police Department officers and SCAVO himself.

False Billing and Concealment of Profit

24. It was further part of the scheme that defendant MONTINO scheduled himself to work hours for SCAVO's IFPC security accounts, including a Cinemark movie theater in Melrose Park ("Cinemark"), which hours he knew neither he nor anyone else would work, well knowing that IFPC billed the security customers based on the schedules he prepared and that the customers, therefore, would be required to pay for his ghost hours.

25. It was further part of the scheme that defendant CALIENDO, in order to maintain employment with IFPC, submitted and caused to be submitted false and fraudulent documents to IFPC's headquarters and the Illinois Department of Professional Regulation that failed to disclose a felony conviction and falsely asserted that he was a full-time sworn peace officer with the Police

Department.

26. It was further part of the scheme that defendant CALIENDO directed WYNN and others to work hours at Lincoln Tech for which CALIENDO had scheduled himself and caused the Police Department to pay for the hours that WYNN and others spent covering for CALIENDO at Lincoln Tech, while CALIENDO got paid through IFPC as if he had worked at Lincoln Tech.

27. It was further part of the scheme that defendant WYNN diverted Melrose Park resources by working private security jobs, including a security job at Lincoln Tech, while on duty at the Police Department.

B. The Commercial Parking Lot

28. It was further part of the scheme that defendant SCAVO gained the use of the Commercial Parking Lot through false pretenses and material omissions in that he requested use of the parking lot in his position as Chief of the Police Department, by acting in a manner intended to induce Navistar to believe that by allowing use of its parking lot it was providing a public service to the Police Department and Melrose Park, not a profit opportunity for SCAVO.

29. It was further part of the scheme that beginning by at least October 2004 and continuing through at least early November 2005, defendant SCAVO diverted Melrose Park resources to his personal use and benefit by: (a) using the Police Department to operate the Commercial Parking Lot; (b) managing various aspects of the Commercial Parking Lot while on duty; and (c) using on-duty Police Department personnel to operate various aspects of the Commercial Parking Lot.

C. Ghosting

30. It was further part of the scheme that from at least March 2004 to at least June 2005, defendant CALIENDO diverted Melrose Park funds by submitting payroll records reflecting that he worked certain hours for the Police Department on certain days, whereas, in fact, as CALIENDO well knew, he did not work those hours.

D. Personal Chores and Expenditures

31. It was further part of the scheme that beginning no later than late 1996 and continuing to at least late 2005, defendant SCAVO diverted Melrose Park resources to his personal use and benefit by directing on-duty personnel to: (i) perform personal chores for him; and (b) purchase items for him and his family using Melrose Park funds.

32. It was further part of the scheme that defendant SCAVO directed Police Department officers who performed lengthy personal chores and other tasks for him to account for the time consumed by those chores and tasks as use of accumulated time due, well knowing that the officers did not have enough accumulated time due to cover the time needed to perform the chores and tasks.

33. It was further part of the scheme that defendant CERVONE, at defendant SCAVO's direction, artificially inflated the accumulated time due hours of Police Department officers who performed personal chores and other tasks for SCAVO, including Day Shift Officer 1 and Officer A, well knowing that those officers had not earned the time due for which CERVONE gave them credit.

34. It was further part of the scheme that defendants SCAVO, MONTINO, CALIENDO, CERVONE, and WYNN, misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, acts done in furtherance of the scheme and the purpose of those acts.

E. Acts of Concealment

35. It was further part of the scheme that in or about the first half of September 2005, after defendant SCAVO and Cepeda learned of the existence of the federal criminal investigation, including the Grand Jury Investigation, defendant SCAVO and Cepeda, at the direction of defendant SCAVO, instructed material witnesses to the Grand Jury Investigation, including bar owners who used SCAVO's security business, as well as the security guards who worked security at those bars, to provide false information to federal agents about their involvement in and knowledge of facts related to the Grand Jury Investigation, including the price of the security services, how security guards got paid, and SCAVO's involvement with the security business.

36. It was further part of the scheme that beginning in or about the first half of September 2005, and continuing through at least November 2, 2005, Cepeda, after learning of the existence of the federal criminal investigation, including the Grand Jury Investigation, carried out defendant SCAVO's instructions, as described in paragraph 35 above.

37. It was further part of the scheme that on or about September 19, 2005, after learning of the existence of the federal criminal investigation, including the Grand Jury Investigation, defendant SCAVO met with Officer A at the Police Department and: (a) provided Officer A with false information about Officer A's accumulated time due, well knowing that time due was being investigated by the Grand Jury and with the intent that Officer A would present the false information to the grand jury and federal agents; and (b) stated to Officer A that backup records related to time due had been destroyed, with the intent to influence Officer A to lie to the grand jury and federal agents.

38. It was further part of the scheme that on or about September 21, 2005, after learning of the existence of the federal criminal investigation, including the Grand Jury Investigation, defendant CERVONE met at the Police Department with Day Shift Officer 1 and Officer A and provided them with false information about their accumulated time due and how they had earned it, well knowing that time due was being investigated by the Grand Jury and with the intent that Day Shift Officer 1 and Officer A would present the false information to the grand jury and federal agents.

39. It was further part of the scheme that on or about September 21, 2005, after the meeting described in paragraph 38 above, and after learning of the existence of the federal criminal investigation, including the Grand Jury Investigation, defendant CERVONE again met with Officer A at CERVONE's home in Melrose Park, during which CERVONE directed Officer A to lie to federal agents and the grand jury about how Officer A earned his time due so as not to implicate CERVONE and defendant SCAVO.

40. It was further part of the scheme that on or about October 10, 2005, after learning of the existence of the federal criminal investigation, including the Grand Jury Investigation, defendant SCAVO met with Officer A in Melrose Park and stated to Officer A that backup records related to time due did not exist, with the intent to influence Officer A to lie to the grand jury and federal agents.

41. It was further part of the scheme that on or about September 14, 2005, defendant SCAVO, after learning of the existence of the federal criminal investigation, including the Grand Jury Investigation, met in Northlake, Illinois with the owners of Bar 2 and Bar 3, two bars located in Melrose Park, and instructed them to lie to federal investigators about topics material to the Grand

Jury Investigation, including Cepeda's involvement in the scheme described herein.

42. On or about August 31, 2005, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO and
GARY MONTINO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing Cinemark's security payment for the period July 25, 2005, to August 7, 2005, which envelope was addressed to:

IFPC Worldwide, Inc.
5440 North Cumberland, Suite 105
Chicago, Illinois 60656;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT THREE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.
2. In or about the first half of August 2002, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO and
GARY MONTINO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing Cinemark's security payment for the period July 1, 2002, to July 7, 2002, which envelope was addressed to:

IFPC Worldwide, Inc.
5440 North Cumberland, Suite 105
Chicago, Illinois 60656;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT FOUR

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.
2. On or about September 12, 2003, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO and
GARY MONTINO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing Navistar's security payment for the period August 11, 2003, to August 24, 2003, which envelope was addressed to:

IFPC Worldwide, Inc.
5440 N. Cumberland, Suite 105
Chicago, Illinois 60656;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT FIVE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.

2. On or about September 2, 2005, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO and
GARY MONTINO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing the security payment of Jewel Food Stores, a grocery store chain with a facility in Melrose Park that used security provided by DOD, for the period August 8, 2005, to August 21, 2005, which envelope was addressed to:

VITO R. SCAVO
DBA D.O.D. SECURITY
280 BRADDOCK
MELROSE PARK, IL 60160;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT SIX

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.

2. On or about December 1, 2005, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing a payment from Business 1, a business in Melrose Park that used security provided by DOD, related to the use by DOD of a Police Department squad car as part of Business 1's security, which envelope was addressed to:

The Village of Melrose Park
1000 N. 25th Ave.
Melrose Park IL 60160;

In violation of Title 18, United States Code, Sections 1341 and 1346.

COUNT SEVEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.

2. On or about January 8, 2004, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,
MICHAEL "MICKEY" CALIENDO, and
MICHAEL WYNN,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing a security payment issued to IFPC by Lincoln Tech, which envelope was addressed to:

IFPC Worldwide, Inc.
5440 N. Cumberland, Ste 105
Chicago, IL 60656;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT EIGHT

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.

2. On or about May 26, 2005, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,
MICHAEL "MICKEY" CALIENDO, and
MICHAEL WYNN,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing a security payment issued to IFPC by Lincoln Tech, which envelope was addressed to:

IFPC Worldwide, Inc.
5440 N. Cumberland, Ste 105
Chicago, IL 60656;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT NINE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.

2. On or about August 4, 2005, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,
MICHAEL "MICKEY" CALIENDO, and
MICHAEL WYNN,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing a security payment issued to IFPC by Lincoln Tech, which envelope was addressed to:

IFPC Worldwide, Inc.
5440 N. Cumberland, Ste 105
Chicago, IL 60656;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT TEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.

2. On or about December 26, 2003, in the Northern District of Illinois, and elsewhere,

VITO R. SCAVO and
GUY RIC CERVONE,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be transmitted by means of wire communication in interstate commerce a writing, sign, and signal, in that defendants SCAVO and CERVONE caused a wire transfer, of which \$2,149.21 represented Officer A's salary for the pay period ending December 31, 2003, from Melrose Park's bank account at Banco Popular in Melrose Park to an ADP bank account through the Federal Reserve's facility in New Jersey;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT ELEVEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 41 of Count Two of this indictment as though fully set forth herein.

2. On or about August 17, 2005, in the Northern District of Illinois, and elsewhere,

VITO R. SCAVO and
GUY RIC CERVONE,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be transmitted by means of wire communication in interstate commerce a writing, sign, and signal, in that defendants SCAVO and CERVONE caused a wire transfer, of which \$2,530.81 represented Officer A's salary for the pay period ending August 15, 2005, from Melrose Park's bank account at Banco Popular in Melrose Park to an ADP bank account through the Federal Reserve's facility in New Jersey;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT TWELVE

The SPECIAL DECEMBER 2005 Grand Jury further charges:

1. The grand jury realleges and incorporates by reference paragraph 1, subparagraphs A, B, H, I, and J of Count One of this indictment as though fully set forth herein.

2. At times material to this indictment, the following individuals were employed by the Police Department:

A. Defendant MICHAEL "MICKEY" CALIENDO was a civilian supervisor of part-time officers.

B. Defendant JAMES CAPUTO was a Deputy Chief of Police.

3. Beginning in or about 1997 and continuing until on or about October 15, 2005, at Melrose Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL "MICKEY" CALIENDO and
JAMES CAPUTO,

defendants herein, and other persons known and unknown to the grand jury, devised and intended to devise, and participated in, a scheme and artifice to defraud the people of Melrose Park, Melrose Park businesses, and Melrose Park of money, property, and their intangible right to the honest services of the Police Department and Police Department employees and officials by means of materially false and fraudulent pretenses, representations, promises, and material omissions, and in furtherance of the scheme, which scheme is further described in the following paragraphs, defendants CALIENDO and CAPUTO used and caused to be used the United States mails and other interstate carriers, as well as writings, signs, and signals that were transmitted by means of wire communication in interstate commerce.

4. It was part of the scheme that defendants CALIENDO and CAPUTO diverted Police

Department personnel and property to operate a for-profit private security company ("Police Department Security").

5. It was further part of the scheme that defendants CALIENDO and CAPUTO operated Police Department Security out of the Police Department, using the Police Department as, among other things, Police Department Security's headquarters.

6. In or about mid-2004, defendant CAPUTO resigned from the Police Department. It was further part of the scheme that in order to continue to operate Police Department Security out of the Police Department after defendant CAPUTO resigned, defendant CALIENDO took over as the primary point of contact for Police Department Security.

7. It was further part of the scheme that defendant CALIENDO concealed and attempted to conceal the scheme by directing on-duty part-time Police Department officers to perform security work for Police Department Security as part of their police duties.

8. It was further part of the scheme that after learning of the Grand Jury Investigation, defendant CALIENDO concealed and attempted to conceal the scheme by directing part-time Police Department officers to inform federal agents that they worked security for Police Department Security while on their breaks whereas, in truth, as CALIENDO well knew, the part-time officers performed the private security while on duty at the Police Department.

9. It was further part of the scheme that beginning in or about 1997 and continuing until on or about October 15, 2005, defendants CALIENDO and CAPUTO diverted Melrose Park resources through the use of Police Department property, including Police Department squad cars, and on-duty Police Department officers to operate and staff Police Department Security.

10. It was further part of the scheme that defendants CALIENDO and CAPUTO used and

caused to be used Police Department property, including Police Department squad cars, in connection with the operations of Police Department Security.

11. It was further part of the scheme that defendant CAPUTO used on-duty Police Department personnel to perform non-security guard work for Police Department Security, which work included accounts receivable functions.

12. It was further part of the scheme that defendants CALIENDO and CAPUTO staffed Police Department Security accounts, and caused those accounts to be staffed, with on-duty Police Department officers.

13. It was further part of the scheme that, in contravention of Illinois law, defendant CALIENDO caused part-time Police Department officers to wear their Police Department uniforms while performing private security work for Police Department Security by assigning them to work private security jobs while they were on-duty.

14. It was further part of the scheme that defendants CALIENDO and CAPUTO misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, acts done in furtherance of the scheme and the purpose of those acts.

15. On or about September 4, 2002, in the Northern District of Illinois, Eastern Division,

MICHAEL "MICKEY" CALIENDO and
JAMES CAPUTO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing the security payment for Sears, Roebuck and Company ("Sears"), a department store chain with a facility in Melrose Park that used security provided by Police Department Security, for the period August 1, 2002, to August 31, 2002, which envelope was

addressed to:

Officer Mike Caliendo
1 N. Broadway
Melrose Park Police
Melrose Park, Illinois 60160-3706;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT THIRTEEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 14 of Count Twelve of this indictment as though fully set forth herein.

2. On or about October 24, 2002, in the Northern District of Illinois, Eastern Division,

MICHAEL "MICKEY" CALIENDO and
JAMES CAPUTO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing Sears' security payment for the period October 1, 2002, to October 31, 2002, which envelope was addressed to:

Officer Mike Caliendo
1 N. Broadway
Melrose Park Police Dept.
Melrose Park, IL 60160-3706;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT FOURTEEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 14 of Count Twelve of this indictment as though fully set forth herein.

2. On or about April 24, 2003, in the Northern District of Illinois, Eastern Division,

MICHAEL "MICKEY" CALIENDO and
JAMES CAPUTO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing Sears' security payment for the period April 1, 2003, to April 30, 2003, which envelope was addressed to:

Officer Mike Caliendo
1 N. Broadway
Melrose Park Police Dept.
Melrose Park, IL 60160-3706;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT FIFTEEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraphs 1 through 14 of Count Twelve of this indictment as though fully set forth herein.

2. On or about August 29, 2005, in the Northern District of Illinois, Eastern Division,

MICHAEL "MICKEY" CALIENDO and
JAMES CAPUTO,

defendants herein, for the purpose of executing and attempting to execute the above-described scheme, knowingly did cause to be delivered by the United States Postal Service according to the directions thereon, an envelope containing Sears' security payment for an invoice dated August 1, 2005, which envelope was addressed to:

Michael Caliendo
914 Winston Drive
Melrose Park, IL 60160-2209;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT SIXTEEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

On or about October 6, 2003, at Melrose Park, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, committed extortion, which extortion obstructed, delayed, and affected commerce, in that defendant SCAVO obtained property, in the form of security service payments from Allied Waste Services, Inc. ("Allied") – a waste hauling company that engaged in, and the activities of which affected, interstate commerce – with the consent of Allied's representatives induced under color of official right and by the wrongful use of threatened fear of economic harm;

In violation of Title 18, United States Code, Section 1951.

COUNT SEVENTEEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

In or about spring 2005, at Melrose Park, in the Northern District of Illinois, Eastern Division,

GERMAN CEPEDA,

defendant herein, along with other persons known and unknown to the grand jury, committed extortion, which extortion obstructed, delayed, and affected commerce, in that defendant CEPEDA obtained property, in the form of security service payments from Bar 1 – a business in Melrose Park that engaged in, and the activities of which affected, interstate commerce – with the consent of Bar 1's owner induced under color of official right and by the wrongful use of actual and threatened fear of economic harm;

In violation of Title 18, United States Code, Section 1951.

COUNT EIGHTEEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraph 1, subparagraphs J and K, of Count One of this indictment as though fully set forth herein.

2. Beginning in or about the first half of September 2005 and continuing until approximately October 10, 2005, at Melrose Park and Northlake, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, corruptly endeavored to influence, obstruct, and impede, and to attempt to influence, obstruct, and impede the due administration of justice, namely:

a. In or about the first half of September 2005, SCAVO directed German Cepeda to instruct numerous material witnesses to the Grand Jury Investigation, including bar owners who used Scavo's security business, as well as the security guards who worked at those bars, to provide false information to federal agents about their involvement in and knowledge of facts related to the Grand Jury Investigation, which Cepeda did;

b. On or about September 14, 2005, SCAVO encouraged the owners of Bar 2 and Bar 3, two bars located in Melrose Park, to lie to federal agents about Cepeda's involvement in SCAVO's security business;

c. On or about September 19, 2005, SCAVO provided Officer A with false information about Officer A's accumulated time due, well knowing that time due was being investigated by the grand jury and with the intent that Officer A would present the false information to the grand jury and federal agents;

d. On or about September 19, 2005, SCAVO stated to Officer A that backup records related to time due had been destroyed, with the intent to influence Officer A to lie to the grand jury and federal agents; and

e. On or about October 10, 2005, SCAVO stated to Officer A that backup records related to time due did not exist, with the intent to influence Officer A to lie to the grand jury and federal agents;

In violation of Title 18, United States Code, Section 1503.

COUNT NINETEEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The grand jury realleges and incorporates by reference paragraph 1, subparagraphs J and K, of Count One of this indictment as though fully set forth herein.

2. On or about September 21, 2005, at Melrose Park, in the Northern District of Illinois, Eastern Division,

GUY RIC CERVONE,

defendant herein, corruptly endeavored to influence, obstruct, and impede, and to attempt to influence, obstruct, and impede the due administration of justice, namely:

a. CERVONE provided Day Shift Officer 1 and Officer A with false information about their time due and how they accumulated it, well knowing that time due was being investigated by the grand jury and with the intent that Day Shift Officer 1 and Officer A would present the false information to the grand jury and federal agents; and

b. CERVONE directed Officer A to lie to federal agents and the grand jury about how Officer A earned time due so as not to implicate defendant CERVONE and Scavo;

In violation of Title 18, United States Code, Section 1503.

COUNT TWENTY

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Each year, DOD was required to: (a) file with the Internal Revenue Service a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) reporting DOD's receipts and expenses; and (b) pay any resulting taxes.

2. On or about July 9, 2001, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, willfully made and subscribed, and caused to be made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) for "D O D Security Consultants Inc." for the calendar year 2000, which return was verified by a written declaration that it was made under the penalties of perjury, and filed with the Internal Revenue Service, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO represented and caused to be represented in said return and its accompanying schedules that for the calendar year 2000, DOD's gross receipts, taxable income, and overpayment were \$63,328, \$24,780, and \$1,078, respectively, whereas, in fact, as defendant SCAVO well knew, the amounts set forth for DOD's gross receipts, taxable income, and overpayment were false, defendant SCAVO having willfully omitted from the gross receipts additional income earned by DOD from the performance of security services;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-ONE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

On or about February 25, 2002, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2001, which was filed electronically with the Internal Revenue Service, and which was verified by a written declaration on a U.S. Individual Income Tax Declaration for an IRS e-file Return, Form 8453, that it was made under penalties of perjury, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO willfully failed to disclose on Schedule C as gross receipts and gross income, or on Form 1040 as "other income," or at any other place on that return, gross income received and earned from the operation of DOD;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-TWO

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Each year, DOD was required to: (a) file with the Internal Revenue Service a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) reporting DOD's receipts and expenses; and (b) pay any resulting taxes.

2. On or about June 5, 2002, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) for "D O D Security Consultants Inc." for the calendar year 2001, which return was verified by a written declaration that it was made under the penalties of perjury, and filed with the Internal Revenue Service, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO represented and caused to be represented in said return and its accompanying schedules that for the calendar year 2001, DOD's gross receipts, taxable income, and overpayment were \$28,278, \$1,288, and \$662, respectively, whereas, in fact, as defendant SCAVO well knew, the amounts set forth for DOD's gross receipts, taxable income, and overpayment were false, defendant SCAVO having willfully omitted from the gross receipts additional income earned by DOD from the performance of security services;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-THREE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

On or about February 24, 2003, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2002, which was filed electronically with the Internal Revenue Service, and which was verified by a written declaration on a U.S. Individual Income Tax Declaration for an IRS e-file Return, Form 8453, that it was made under penalties of perjury, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO willfully failed to disclose on Schedule C as gross receipts and gross income, or on Form 1040 as "other income," or at any other place on that return, gross income received and earned from the operation of DOD;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-FOUR

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Each year, DOD was required to: (a) file with the Internal Revenue Service a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) reporting DOD's receipts and expenses; and (b) pay any resulting taxes.

2. On or about September 16, 2003, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) for "D O D Security Consultants Inc." for the calendar year 2002, which return was verified by a written declaration that it was made under the penalties of perjury, and filed with the Internal Revenue Service, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO represented and caused to be represented in said return and its accompanying schedules that for the calendar year 2002, DOD's gross receipts, taxable income, and tax due were \$91,701, \$44,174, and \$1,964, respectively, whereas, in fact, as defendant SCAVO well knew, the amounts set forth for DOD's gross receipts, taxable income, and tax due were false, defendant SCAVO having willfully omitted from the gross receipts additional income earned by DOD from the performance of security services;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-FIVE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

On or about March 1, 2004, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2003, which was filed electronically with the Internal Revenue Service, and which was verified by a written declaration on a U.S. Individual Income Tax Declaration for an IRS e-file Return, Form 8453, that it was made under penalties of perjury, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO willfully failed to disclose on Schedule C as gross receipts and gross income, or on Form 1040 as "other income," or at any other place on that return, gross income received and earned from the operation of DOD;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SIX

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Each year, DOD was required to: (a) file with the Internal Revenue Service a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) reporting DOD's receipts and expenses; and (b) pay any resulting taxes.

2. On or about July 8, 2004, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) for "D O D Security Consultants Inc." for the calendar year 2003, which return was verified by a written declaration that it was made under the penalties of perjury, and filed with the Internal Revenue Service, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO represented and caused to be represented in said return and its accompanying schedules that for the calendar year 2003, DOD's gross receipts, taxable income, and tax due were \$116,414, \$14,302, and \$682, respectively, whereas, in fact, as defendant SCAVO well knew, the amounts set forth for DOD's gross receipts, taxable income, and tax due were false, defendant SCAVO having: (a) willfully omitted from the gross receipts additional income earned by DOD from the performance of security services; and (b) improperly depreciated \$60,055 for a Cadillac Escalade, well knowing that DOD was not entitled to claim the depreciation listed;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SEVEN

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

On or about February 21, 2005, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2004, which was filed electronically with the Internal Revenue Service, and which was verified by a written declaration on a U.S. Individual Income Tax Declaration for an IRS e-file Return, Form 8453, that it was made under penalties of perjury, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO willfully failed to disclose on Schedule C as gross receipts and gross income, or on Form 1040 as "other income," or at any other place on that return, gross income received and earned from the operation of DOD and the Commercial Parking Lot and the theft of services from Melrose Park;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-EIGHT

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Each year, DOD was required to: (a) file with the Internal Revenue Service a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) reporting DOD's receipts and expenses; and (b) pay any resulting taxes.

2. On or about September 19, 2005, in the Northern District of Illinois, Eastern Division,

VITO R. SCAVO,

defendant herein, a resident of Melrose Park, Illinois, willfully made and subscribed, and caused to be made and subscribed, a United States Corporation Income Tax Return (Form 1120 with schedules and attachments) for "D O D Security Consultants Inc." for the calendar year 2004, which return was verified by a written declaration that it was made under the penalties of perjury, and filed with the Internal Revenue Service, which return defendant SCAVO did not believe to be true and correct as to every material matter, in that defendant SCAVO represented and caused to be represented in said return and its accompanying schedules that for the calendar year 2004, DOD's gross receipts, taxable income, and tax due were \$233,722, \$69,277, and \$8,269, respectively, whereas, in fact, as defendant SCAVO well knew, the amounts set forth for DOD's gross receipts, taxable income, and tax due were false, defendant SCAVO having willfully omitted from the gross receipts additional income earned by DOD from the performance of security services;

In violation of Title 26, United States Code, Section 7206(1).

FORFEITURE ALLEGATION ONE

The SPECIAL DECEMBER 2005 GRAND JURY further alleges:

1. The Grand Jury realleges and incorporates here by reference the allegations of Count One of this indictment for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 1963.

2. As a result of the conspiracy to violate Title 18, United States Code, Section 1962, as alleged in the foregoing indictment,

VITO R. SCAVO,
GARY MONTINO, and
MICHAEL "MICKEY" CALIENDO,

defendants herein,

(a) have acquired and maintained interests in violation of Title 18, United States Code, Section 1962(d), which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, § 1963(a)(1); and

(b) have property constituting and derived from proceeds which defendants SCAVO, MONTINO, and CALIENDO, obtained directly and indirectly, from racketeering activity in violation of Title 18, United States Code, Section 1962(d), which property is subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(3).

3. The interests of defendants SCAVO, MONTINO, and CALIENDO subject to forfeiture to the United States pursuant to Title 18, United States Code, Sections 1963(a)(1) and (a)(3) include, but are not limited to, at least \$1,000,000.

4. Pursuant to the provisions of Title 18, United States Code, Section 1963(m), if any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants, either:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

the court shall order the forfeiture of any other property of the defendants up to the value of the above forfeitable property.

5. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture obligations as alleged above.

All pursuant to Title 18, United States Code, Section 1963.

FORFEITURE ALLEGATION TWO

The SPECIAL DECEMBER 2005 GRAND JURY further alleges:

1. The Grand Jury realleges and incorporates here by reference the allegations of Counts Two through Eleven of this indictment as though fully set forth herein.

2. Beginning no later than August 23, 2000, and continuing until at least early 2006, at Melrose Park and Northlake, in the Northern District of Illinois, Eastern Division, and elsewhere,

VITO R. SCAVO,
GARY MONTINO,
MICHAEL "MICKEY" CALIENDO, and
MICHAEL WYNN,

defendants herein, did engage in violations of Title 18, United States Code, Sections 1341, 1343, and 1346, thereby subjecting to forfeiture to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461(c), all property constituting, and derived from, proceeds SCAVO, MONTINO, CALIENDO, and WYNN obtained, directly and indirectly, as the result of such violations, funds in the amount of at least \$1,000,000.

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), if any of the property described above as being subject to forfeiture, as a result of any act or omission of SCAVO, MONTINO, CALIENDO, and WYNN, either:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty;

the court shall order the forfeiture of any other property of the defendants up to the value of the above forfeitable property.

4. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture obligations as alleged above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, § 2461(c).

FORFEITURE ALLEGATION THREE

The SPECIAL DECEMBER 2005 GRAND JURY further alleges:

1. The Grand Jury realleges and incorporates here by reference the allegations of Counts Twelve through Fifteen of this indictment as though fully set forth herein.

2. Beginning no later than August 23, 2000, and continuing until on or about October 15, 2005, at Melrose Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL "MICKEY" CALIENDO and
JAMES CAPUTO,

defendants herein, did engage in violations of Title 18, United States Code, Sections 1341, 1343, and 1346, thereby subjecting to forfeiture to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461(c), all property constituting, and derived from, proceeds CALIENDO and CAPUTO, obtained, directly and indirectly, as the result of such violations, including, but not limited to, funds in the amount of at least \$75,000.

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), if any of the property described above as being subject to forfeiture, as a result of any act or omission of CALIENDO and CAPUTO, either:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

the court shall order the forfeiture of any other property of the defendants up to the value of the above forfeitable property.

4. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture obligations as alleged above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY